Government of Saskatchewan

Annual Report 1987-1988

Saskatchewan Liquor Licensing Commission

89-03445/

Letter of Transmittal

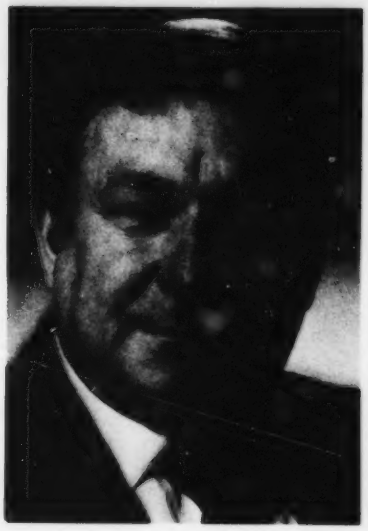
The Honourable Sylvia Fedoruk
Lieutenant Governor of the
Province of Saskatchewan

Dear Sir:

I have the honour to hereby transmit the Twenty-Ninth Annual Report of the Liquor Licensing Commission for the year ending March 31, 1988.

Yours sincerely

Graham Taylor
Minister in Charge
Saskatchewan Liquor Licensing Commission



A Message from the Chairman of the Board

The Honourable Graham Taylor
Minister in Charge
Saskatchewan Liquor Licensing Commission

Dear Sir:

I have the honour on behalf of the Liquor Licensing Commission to submit herewith the Annual Report of this Commission covering the fiscal year ending March 31, 1988.

I wish to express my thanks to all of our employees for their support and good service throughout the year.

Respectfully submitted,

Ted Urness
Chairman

Local Option Votes

Pursuant to the provisions of Section 36 of The Liquor Licensing Act, the Commission arranged for votes to be taken in 7 local option areas, resolutions having been received from the various municipal councils requesting such votes to be taken. A statement showing the results of these votes is included as Schedule A to this report.

Licensing

During the year, the Commission held thirty-eight sittings and conducted one hundred and seventy-six hearings to consider applications for the various types of licenses provided for in Section 32 of The Liquor Licensing Act. The Commission also held thirty-eight meetings and passed minutes on seven hundred matters pertaining to the general conduct and operation of licensed outlets.

The Commission has continued to follow the policy of granting licenses only to applicants of good character and who possess the attributes necessary to ensure satisfactory operation of their business. Every effort was made to ensure that applicants fully understood their responsibilities with regard to the provisions of The Liquor Licensing Act and Regulations made pursuant thereto.

Reports received from the Inspection Department indicated that licensees generally are operating their establishments conscientiously and discharging their responsibilities to the public in a most satisfactory manner.

In accordance with the provisions of Section 29 of the Act, a statement showing the requirements of this section is included as Schedule B to this report.

Financial Statement

A statement of the financial aspects of the operation of the Commission is included.

Acknowledgements

The Commission acknowledges with gratitude the fine co-operation and help which has been given by all departments of Government and by the R.C.M. Police and the various municipal law enforcement authorities. The Commission also wishes to report that the employees have continued to serve most loyally and effectively for which the Commissioners express their sincere thanks.

Schedule A — Statement of Local Option Votes

Local option votes were taken in 7 local option areas during the year. Results of the voting on the various questions by such local option areas are as follows:

	Affirmative	Negative
Restaurants	3	0
Beverage Rooms	0	0
Dining Rooms	4	0
Cocktail Rooms	4	0
Clubs	1	0

Schedule B — Statement of Licenses

Type of License	Issued	Terminated/Expired and Surrendered					Licenses in Effect	
		Ownership Change	Seasonal & Interim	Close of Business	Premise Destroyed	Cancelled by Commission	March 31, 1988	March 31, 1987
Restaurants	52	3	10	5	—	—	34	29
Beverage Room								
— Hotel	634(note 1)	67	64	10	4	—	489	497
— Restaurant	6	—	—	—	—	—	6	6
Dining Room	887	65	117	51	1	—	653	628
Cocktail Room	476	36	71	26	—	—	343	325
Club (Liquor)	154	—	24	3	—	—	127	123
Canteen (Liquor)	69	—	4	3	—	—	62	68
Northern Outfitter's	5	—	5	—	—	—	—	—
Totals	2,283	171	295	98	5	—	1,714	1,676

Note (1) All hotel beverage room licensees were also issued an off-sale beer license.

Suspensions:
4 Beverage Room Licenses
1 Off Sale License
3 Dining Room Licenses
3 Cocktail Room Licenses

Statement of Applications Received

Type of License	Received and Carried over from 1986-87	Issued	Refused	Withdrawn by Applicant	Pending March 31, 1988
Restaurant	46	44	—	—	2
Beverage Room — Hotel	603	590	—	3	10
— Restaurant	6	6	—	—	—
Dining Room	835	795	—	3	37
Cocktail Room	447	422	—	2	23
Club (Liquor)	154	150	1	—	3
Canteen (Liquor)	67	67	—	—	—
Northern Outfitter's	5	5	—	—	—

Liquor Licensing Commission

Financial Statements

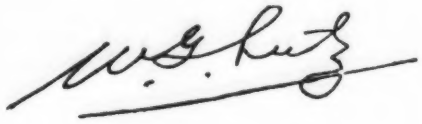
Year ended March 31, 1988

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Liquor Licensing Commission as at March 31, 1988 and the statements of revenue, expenditure and retained earnings, and cash flows for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and the procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
May 31, 1988

W. G. Lutz, F.C.A.,
Provincial Auditor.

Liquor Licensing Commission

Balance Sheet as at March 31

	1988	1987
Assets		
Current:		
Accounts receivable (note 4)	$1,346,512	$ 572,432
Other	775	15,214
Total current assets	$1,347,287	$ 587,646
Liabilities and Equity		
Current:		
Accounts payable	$ 76,787	$ 84,564
Deferred revenue (note 5)	259,743	246,972
Total current liabilities	336,530	331,536
Pension costs payable (note 3)	241,683	185,274
Equity:		
Retained earnings	769,074	70,836
	$1,347,287	$ 587,646

(See accompanying notes to the financial statements)

Liquor Licensing Commission

Statement of Revenue, Expenditure and Retained Earnings
Year Ended March 31

	1988	1987
Revenue		
Payments by Liquor Board pursuant to Section 227, The Liquor Act	$1,475,799	$1,412,619
License fees	409,129	382,164
Entertainment fees	89,380	89,960
Application fees	47,475	46,601
Interest	25,500	14,000
Payment by railway and airline companies pursuant to Section 116 and 119, respectively, The Liquor Licensing Act	2,301	2,516
Total revenue	$2,049,584	$1,947,860
Expenditure:		
Administration		
Salaries and wages	$ 873,450	$ 904,818
Travel	166,345	191,064
Pension Costs (note 3)	148,322	133,712
Rent, light and water	30,800	96,654
Employee benefits	42,973	38,990
Postage and Telephone	34,061	31,925
Stationery and supplies	22,162	29,613
Advertising and voting re licensed premises	23,961	25,091
Sundry	9,272	13,766
Small Equipment Purchase	—	2,386
Data Processing	—	2,272
Total expenditure	1,351,346	1,470,291
Excess of revenue over expenditure	698,238	477,569
Retained earnings, beginning of year	70,836	93,267
	769,074	570,836
Payments to Minister of Finance (note 6)	—	500,000
Retained earnings, end of year	$ 769,074	$ 70,836

(See accompanying notes to the financial statements)

Liquor Licensing Commission

Statement of Cash Flows
Year Ended March 31

	1988	1987
Cash provided by operating activities		
Excess of revenue over expenditure	$ 698,238	$ 477,569
Add charges to operations not requiring a current cash payment		
— addition to pension costs payable	56,409	43,307
	754,647	520,876
Net change in non-cash working capital balances relating to operations*	19,433	17,845
Cash provided by operating activities	774,080	538,721
Cash used in transfer payments		
Payments to Minister of Finance	—	(500,000)
Net increase in cash during year	774,080	38,721
Cash position at beginning of year	572,432	533,711
Cash position at end of year	$1,346,512	$ 572,432
Cash position consists of the receivable from the Saskatchewan Liquor Board (note 4)		
*Accounts receivable	$ 14,439	$ (14,444)
Prepaid expenses	—	8,813
Accounts payable	(7,777)	12,777
Deferred revenue	12,771	10,699
	$ 19,433	$ 17,845

(See accompanying notes to the financial statements)

Liquor Licensing Commission

Notes to Financial Statements
March 31, 1988

1. Accounting Policy

a) Pensions

The employees of the Commission are covered by either the Public Employees (Government Contributory) Superannuation Plan or the Liquor Board Superannuation Fund. The Public Employees (Government Contributory) Superannuation Plan is a cost based plan and all pension costs which are charged to operations are equivalent to the amount provided for funding. The Liquor Board Superannuation plan is a benefit based plan and accordingly the Commission has with the recommendation from the plan Actuary established the following policies:

Current service costs are charged to operations. Past service costs arising from modification of the benefits payable under the plan or adjustments in the pension cost calculations brought about by an actuarial evaluation are charged to operations over the future working period of the present members of the plan not to exceed 15 years. Any difference between the amount charged to operations and the amount provided for funding is included as a liability or as a deferred charge.

Should the Liquor Board Superannuation Fund become unable to meet all superannuation allowances, lump sum payments and refunds, together with any accruals of interest thereon, any deficiencies will be met by payments from the revenues of the Liquor Board.

2. Authority

The Liquor Licensing Commission operates under the authority of The Liquor Licensing Act, Chapter L-21 Revised Statutes of Saskatchewan, 1978.

3. Pension Plan

In accordance with the Canadian Institute of Chartered Accountants' recommendations on accounting for pension costs and obligations, the Commission determines the cost of sponsoring its portion of the Liquor Board Superannuation Plan by the accrued benefit method.

Pension plan assets are valued at market-related values. Adjustments arising from changes in assumptions and experience gains and losses are amortized on a straight-line basis over the expected average remaining service life of the plan participants.

An actuarial valuation of the Superannuation Fund as at December 31, 1986 established an accrual basis unfunded liability of $13,300,000, consisting of the actuarial present value of accrued pension benefits attributed to services rendered of $24,900,000 less the value of superannuation fund assets of $11,600,000. The Commission's share of the unfunded liability is approximtely $900,000.

For several years, the Commission has provided for the unfunded liability by a charge against earnings of an amount in excess of that funded. The cumulative difference of $241,683 between the provision for pension costs and funding contributions is shown as pension costs payable.

The provision for pension costs and funding contributions are as follows:

	1988	1987
Pension Costs:		
Current service	$ 6,723	$ 33,019
Amortization of unfunded liability	118,136	77,772
Total Cost	124,859	110,791
Funding contributions	68,450	67,484
Excess of costs over funding, added to pension costs payable	$ 56,409	$ 43,307

4. Due from Saskatchewan Liquor Board
Pursuant to Section 166 of The Liquor Licensing Act, the bank account of the Commission was designated to be the Liquor Board's general bank account. Accordingly, $1,346,512 (1987 — $572,432) which is the difference between the Commission's receipts and payments is included with accounts receivable.

5. Deferred Revenue
Deferred revenue represents license fees received for which no licenses were issued at March 31, 1988.

6. Payments to Minister of Finance
Retained earnings are paid over to the Minister of Finance for the Consolidated Fund at the direction of the Treasury Board pursuant to Section 169 of The Liquor Licensing Act.

7. Administrative Services
The Commission head office occupies the same premises as the Saskatchewan Liquor Board head office. The accounting and some office administration functions are provided by the Saskatchewan Liquor Board. The Commission has not been charged for these accounting or administrative services and no provision for such costs is reflected in these financial statements. These costs are borne by the Saskatchewan Liquor Board.

8. Comparative Figures
As the definition of cash position in the Statement of Cash Flows was changed in 1988 to include the amount receivable from the Saskatchewan Liquor Board, the 1987 comparative figures were reclassified to conform with the current year's presentation.